IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE C.N.RAMACHANDRAN NAIR

WEDNESDAY, THE 21ST FEBRUARY 2007 / 2ND PHALGUNA 1928

WP(C).No. 6412 of 2004(L)

PETITIONER:

NEDUNGADI BANK SHARE HOLDER'S
ASSOCIATION, 6/337, Y.M.C.A.ROAD, CALICUT-673 001,
REPRESENTED BY ITS GENERAL SECRETARY
SRI.M.NARAYANAN NAIR.

BY ADV. SRI.K.RAMAKUMAR
SRI.T.RAMPRASAD UNNI

RESPONDENTS:
---

1. UNION OF INDIA, REPRESENTED BY ITS
SECRETARY TO MINISTRY OF FINANCE (BANKING),
GOVERNMENT OF INDIA, NEW DELHI.

2. THE RESERVE BANK OF INDIA,
MUMBAI, REPRESENTED BY ITS GOVERNOR.

3. THE CENTRAL BUREAU OF INVESTIGATION,
NEW DELHI REPRESENTED BY ITS DIRECTOR.

4. THE PUNJAB NATIONAL BANK, HEAD OFFICE,
7, BHIKHAIJI CAMA PALACE, NEW DELHI-110 066.

R3 BY ADV. SRI.S.SREEKUMAR, SC FOR CBI
SMT.T.D.RAJALAKSHMI, SCGSC
SRI.K.P.DANDAPANI (SR.)

THIS WRIT PETITION (CIVIL) HAVING BEEN FINALLY HEARD ON 21/02/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

APPENDIX

PETITIONER'S EXHIBITS:

P1: TRUE COPY OF THE REPORT DT.5.7.2002 BY A COMMITTEE OF DIRECTORS ON THE STAFF ACCOUNTABILITY.

P2: TRUE COPY OF THE REPORT DT.3.4.99 ABOUT THE BRANCHES IN TAMILNADU AREA.

P3: TRUE COPY OF THE REPRESENTATION DT.12.9.2003 SUBMITTED BY THE PETITIONER ASSOCIATION BEFORE THE CHAIRMAN, PUNJAB NATIONAL BANK.

P4: TRUE COPY OF THE REPRESENTATION DT.22.12.2003 SUBMITTED BY THE PETITIONER ASSOCIATION TO THE GOVERNOR, RESERVE BANK OF INDIA.

TRUE COPY

P.S. TO JUDGE

C.N.RAMACHANDRAN NAIR, J.

.....

W.P.(C) No.6412 of 2004

.....

Dated this the 21st day of February, 2007.

JUDGMENT

The petitioner is an association of shareholders of erstwhile Nedungadi Bank which has filed this W.P. alleging corruption by officers of the Nedungadi Bank which led to it's bankruptcy and consequent amalgamation with Punjab National Bank Ltd. The amalgamation is complete and under the scheme of amalgamation the entire assets and liabilities of the Nedungadi Bank were taken over by Punjab National Bank as a going concern. Therefore, irregularities, misappropriation or corrupt practices committed by officers of Nedungadi Bank can be enquired into by the Punjab National Bank and if there is any case for prosecution or enquiry, it is upto the Punjab National Bank to initiate appropriate action against those officers concerned by lodging complaint with the Police or to take other action to compensate the Bank for the loss caused to it. The petitioner is given freedom to point out any specific case of fraud or corruption by any officer of the Nedungadi Bank to the concerned officer in charge of the Punjab National Bank for taking action and if any such complaint is received, the Manager or more senior officers of the Punjab National Bank

will conduct enquiry and launch complaint before the Police and also take action for recovery. If any complaint is filed by the Punjab National Bank against any officer, it is the duty of third respondent to conduct investigation of the case.

2. So far as request for release of share certificates to the shareholders of the erstwhile Nedungadi Bank is concerned, there will be direction to the Secretary of the Punjab National Bank to issue share certificates of Punjab National Bank under the scheme of amalgamation approved without any delay and in any case within one month from the date of receipt of request from any shareholder who has not been issued share certificate so far.

The W.P. is disposed of as above.

C.N.RAMACHANDRAN NAIR
Judge

pms